

## BEFORE

## THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The )  
 Dayton Power and Light Company for )  
 Authority to Modify its Accounting ) Case No. 08-1332-EL-AAM  
 Procedure for Certain Storm-Related )  
 Services Restoration Costs. )

FINDING AND ORDER

The Commission finds:

- (1) The Dayton Power and Light Company (DP&L or the Company) is a public utility as defined by Sections 4905.02 and 4905.03(A)(4), Revised Code.
- (2) On December 26, 2008, DP&L filed an application in this proceeding, seeking authority to defer, as a regulatory asset, a portion of its Operation and Maintenance (O&M) expenses associated with restoring electric service to its customers in the aftermath of Hurricane Ike's destructive wind storm beginning on September 14, 2008. The portion of the O&M expenses the Company proposes to defer is the amount by which the total O&M expenses associated with the Hurricane Ike-related service restoration expenses and other storms experienced in 2008 exceeds the three-year average service restoration O&M expenses associated with major storms. The Company proposes to defer, for future recovery, these O&M expenses, with carrying costs based on its actual cost of debt of 5.86 percent, as filed in Case No. 08-1094-EL-SSO.
- (3) In support of the Company's application, DP&L cites the Commission's decision in its Rate Stabilization Plan (RSP),<sup>1</sup> the Commission's approval of the Company's Electric Transition Plan (ETP),<sup>2</sup> and the Commission's authorization

<sup>1</sup> In the Matter of the Application of the Continuation of the Rate Freeze and Extension of the Market Development Period for The Dayton Power and Light Company, Case No. 02-2779-EL-ATA, et al., Opinion and Order (September 2, 2003).

<sup>2</sup> In the Matter of the Application of Dayton Power and Light Company for Approval of its Transition Plan Pursuant to Section 4928.3, Revised Code and for the Opportunity to Receive Transition Revenues as authorized Under Sections 4928.31 to 4928.40, Revised Code, Case No. 99-1687-EL-ETP, et al., Opinion and Order (August 31, 2000).

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to recover O&M expenses associated with extraordinary ice storms that occurred in December 2004 and January 2005.<sup>3</sup> The application asserts that the present application is consistent with the Company's application approved in Case No. 05-1090-EL-ATA, which was approved pursuant to the Company's RSP and ETP. The Company is not requesting, at this time, to commence recovery of the O&M expenses associated with repairing/replacing the distribution facilities damaged by Hurricane Ike. Rather, it seeks approval to defer the related O&M expenses, with carrying costs, for future recovery under its approved RSP from all customers, over a twelve-month period, beginning at a date determined by the Commission in a future proceeding.

- (4) The Commission finds that the application seeking authority to modify the Company's accounting procedures to defer incremental O&M expenses associated with the September 14, 2008, wind storm, with carrying costs, is reasonable and should be approved.
- (5) DP&L is directed to separately identify and record in a sub-account of Account 182, Other Regulatory Assets, all O&M costs to be deferred by the Company.
- (6) The determination of the reasonableness of the deferred amounts and the recovery thereof, if any, will be examined and addressed in a future proceeding before the Commission. As the Supreme Court has previously held, deferrals do not constitute ratemaking. *See Elyria Foundry Co. v. Pub. Util. Comm.* (2007), 114 Ohio St.3d 305.

It is, therefore,

ORDERED, That the application by DP&L to modify accounting procedures to defer incremental O&M costs related to the September 14, 2008, wind storm service restoration expenses, with carrying costs, as set forth in findings (4) thru (6) is approved. It is, further,

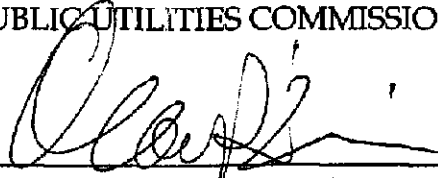
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<sup>3</sup> *In the Matter of the Application of Dayton Power and Light Company for Approval of Tariff Changes Associated With a Request to Implement a Storm Cost Recovery Rider*, Case No. 05-1090-EL-ATA, Finding and Order (July 12, 2006).

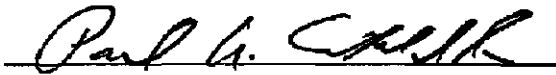
ORDERED, That nothing in this Entry shall be binding upon the Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this entry be served upon DP&L.

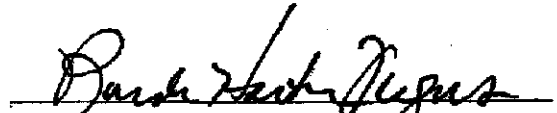
THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie

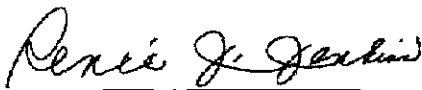


Cheryl L. Roberto

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JAN. 14 2009



Renee J. Jenkins

Secretary